GOVERNMENT OF INDIA
NEW AND RENEWABLE ENERGY
LOK SABHA

UNSTARRED QUESTION NO:4967
ANSWERED ON:23.04.2015
COST OF ELECTRICITY GENERATION
Rai Shri Prem Das

Will the Minister of NEW AND RENEWABLE ENERGY be pleased to state:

(a) the details of capital cost and cost of electricity via renewable sources vis-Ã -vis conventional sources of energy;

(b) whether the Government provides incentives/ subsidies for promoting the use of renewable energy, if so, the details thereof;

(c) whether the Government is considering additional financing mechanism for renewable energy projects, if so, the details thereof; and

(d) whether the Government is considering a proposal to provide special incentives to States based on the share of renewable power in meeting the energy needs, if so, the details thereof?

Answer

THE MINISTER OF STATE FOR POWER, COAL & NEW AND RENEWABLE ENERGY (INDEPENDENT CHARGE) (SHRI PIYUSH GOYAL)

(a): Power generation from renewable energy sources is in general, more expensive than conventional sources. However, it is cost competitive in regions of diesel dominant grid and in remote areas where extension of grid is un-economical. The details of estimated capital cost and estimated cost of electricity generation from various renewable energy sources is given in Annexure-I.

(b): The programme-wise details of incentives/ subsidies for promoting the use of renewable energy in the country are given in Annexure-II. Further, fiscal incentives such as accelerated depreciation, concessional excise and customs duties, 10 years income tax holiday and prefer- ential tariff are available for renewable energy projects.

(c): The Government is facilitating soft loans through Bi-lateral and Multi-lateral agencies. In this regard, Indian Renewable Energy Development Agency (IREDA) has been sanctioned Lines of Credit worth Rs. 4,893.92 crore from Kreditanstalt fÃ¼r Wiederaufbau (KfW), German Development Bank; Asian Develop- ment Bank (ADB); AgenceFrancaise De Developp- ment (AFD); and Japan International Cooperation Agency (JICA).

(d): Department of Expenditure, Ministry of Finance has released an amount of Rs. 4992.14 cores towards the payment of grants-in-aid for "Incentive for Grid Connected Renewable Energy" to State Government(s) during the year 2014-15 on the recommendation of 13th Finance Commission.